



METROPOLITAN
TRANSPORTATION
COMMISSION

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TO: Administration Committee

DATE: November 3, 2010

FR: Executive Director

W.I.: 1153

RE: Purchase Orders – Copier Lease Agreement: Xerox Corporation

Staff seeks the Committee's approval to issue annual purchase orders with Xerox Corporation for a five year lease of copier equipment and maintenance services for a total amount not to exceed \$436,650. The amount available for the remainder of FY 2010-11 is \$65,484. The annual amount of the purchase orders for FY 2011-12 through FY 2014-15 is estimated at \$87,312.

Background

MTC currently operates a full service copy center with two high production copiers and one color copier to produce Commission packets, staff reports, publications, and other documents. There are also six copiers for general staff use. Over 3.0 million copies are produced in-house on an annual basis. The existing copiers were obtained through a five year lease purchase and maintenance agreement from Danka Corporation & GE Capital at a total cost of \$83,000 annually. This agreement expires November 2010.

MTC's contracting guidelines allow staff the selection of vendors from a prequalified list through existing intergovernmental competitive procurements such as Western States Contracting Alliance (WSCA). Based on the list of prequalified vendors, staff reviewed equipment from Xerox, Canon and Sharp. All of the vendors offered competitive pricing and equipment with similar features.

Staff recommends a lease agreement with Xerox Corporation (San Francisco) because they were the only vendor to offer equipment with z-folding and booklet folding capability built in, rather than paying additional costs for an outside copy center to produce these types of documents. Xerox will also remove and recycle the existing equipment at no additional cost. At the end of the sixty (60) month lease period, MTC may buy the copier equipment at fair market value, trade them in for new equipment, or simply return them at no cost. Finally, Xerox was the only vendor to offer a 100% satisfaction guarantee. If we are not happy with the equipment supplied, at any time, we can receive a replacement unit at no charge.

The cost for the Xerox copiers is as follows:

Cost	Monthly	Annual
Sixty (60) month Cost (includes deliver, installation and sales tax)	\$4,996	\$59,952
Maintenance and Consumable (estimated) Cost - based on per print rate	\$2,280	\$27,360
Totals	\$7,276	\$87,312
Maximum Approved Five (5) year Total		\$436,650

Funds for the remainder of FY 2010-11 in the amount of \$65,484 are included in the adopted agency budget. Future purchase orders shall be subject to the annual agency budgetary approval process.

Recommendation

Staff recommends that this Committee authorize the Executive Director to issue annual purchase order(s) for copier equipment and maintenance services not to exceed \$65,484 for the remainder of FY 2010-11, \$87,312 annually for FY 2010-11 to FY 2014-15 at a total cost not to exceed \$436,650 over the five year period, subject to the annual agency budgetary approval process.

Steve Heminger

SH: RH

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REQUEST FOR COMMITTEE APPROVAL

Work Item No.: 1153

Contractor: Xerox Corporation
San Francisco, CA

Work Project Title: Copier Agreement

Purpose of Project: Provide Copier Equipment and Maintenance Services

Brief Scope of Work: To provide for the FMV lease and maintenance charges for 9 copiers over a five (5) year period.

Project Cost Not to Exceed: \$65,484 (FY 2010-11)
\$87,312 annually, FY 2010-11 to FY 2014-15
\$436,650 (total not to exceed over a 5 year period)

Funding Source: General Operations

Fiscal Impact: Funds are included in the FY 2010-11 General Operating Budget.

Motion by Committee: That the Executive Director or his designee is authorized to issue purchase orders on an annual basis to procure copier equipment and maintenance services for a period beginning November 2010 and ending November 2015, and the Chief Financial Officer is authorized to set aside funds for such purchase orders not to exceed \$65,484 for the remainder of FY 2010-11, and \$436,650 over a 5-year period, subject to adoption of the annual operating budget in subsequent years.

Admin. Committee: _____
Tom Bates, Chair

Approved: Date: November 10, 2010